

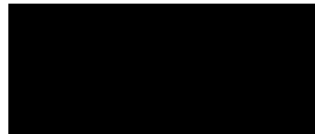
27 OCT 1977

Mr. Dwight Ink  
Executive Director  
Personnel Management Project  
U.S. Civil Service Commission  
1900 E Street, N.W.  
Washington, D.C. 20415

Dear Mr. Ink:

We have reviewed Option Paper Number Six, "Job Evaluation, Pay, and Benefit Systems" and are pleased to enclose comments on some of the items which are of considerable interest to this Agency.

Sincerely,



Acting Director of Personnel

STATINTL

Enclosure

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COMMENTS ON OPTION PAPER NUMBER SIX

GENERAL REFERENCE:

Part 6: Can the principle of merit pay be used to improve and reward employee performance?

SPECIFIC REFERENCE:

Within-grade advancement.

COMMENTS:

Under present Federal practices applicable to the "within-grade" advancement system, the statutory principle of "equal pay for equal work with pay distinctions maintained in keeping with work and performance distinction" is not fulfilled when the vast majority of employees are automatically given within-grade increases.

There is little incentive for employees to excel when no distinction is made between superior and acceptable performance.

The appeals procedures established for the withholding of periodic step increases for employee performance considered less than "acceptable" requires extraordinary effort on the part of the supervisor to document and defend a decision to withhold.

There should be a direct link between the performance appraisal system and the rewarding of employees with within-grade increases in salary.

Option C with sub-option c(1)(a) and c(2)(a) would appear to offer the most promise for relating performance distinction on the job to rewarding employees based upon their contributions.

GENERAL REFERENCE:

Part 7: What improvements are needed in the Job Evaluation Process?

COMMENT:

The introduction of the Factor Evaluation System (FES) has simplified some of the complexities previously encountered in the job evaluation system. These standards, once they are understood by line managers, and articulated by qualified classifiers, should improve the job evaluation process. We therefore believe that the arguments set forth for total reform of the classification and pay system should be rejected. Option A, with sub-option A(2) and A(4), calling for retention of the present system, but, concentrating on necessary systems improvements should be pursued.